

MESSAGE CONFIRMATION

JAN-07-2003 09:56PM TUE

FAX NUMBER: 250 727 2180
NAME : CHILIBECK HOME

NAME/NUMBER : 19054750141
PAGE : 001
START TIME : JAN-07-2003 07:44PM TUE
ELAPSED TIME : 01'10"
MODE : G3 STD ECM
RESULTS : [O.K]

SIMPLY BETTER AMALGAM RECOVERY



January 6, 2003

President
Solmetex Inc
50 Bearfoot Road
Suite 2
Northborough, Ma
01532
USA

Sent via Fax, original to follow by mail

Dear President,

RE: Canadian Patent # 2,335,586 infringement of Solmetex dental amalgam separator

Please be advised Maximum Separation Systems (MSS) holds a Canadian Patent #2,335,586 titled APPARATUS AND PROCESS FOR REMOVING METALLIC PARTICLES FROM EFFLUENT LIQUID WASTE.

This patent can be found on the Internet site:
http://patents1.ic.gc.ca/details?patent_number=2335586&language=EN_CA

Maximum Separation Systems Inc views that your company and all of your companies dealers by importing, distributing and selling the product Solmetex Hg5 has been infringing on our patent in Canada since December 3 2002.

Please cease and desist the importing, distribution and sales of this product in Canada immediately.

If you desire to continue this aspect of your business, there may be an opportunity to license our technology. Please contact MSS within seven days in order to prepare the proper licensing documents before any more of your products are sold in Canada.

Yours truly,

Dr. Richard Chilibeck

MAXIMUM SEPARATION SYSTEMS INC.
#301 - 1779 SEAN HEIGHTS, VICTORIA, BC, V8M 1X6, CANADA TEL: (250) 652-5279 FAX: (250) 652-9599
TOLL FREE: 1-800-799-7147 WEB: www.amalgamseparators.com
Info-Can-Canada Copyrighted material subject to the Act of 1986

EXHIBIT A

SIMPLY BETTER AMALGAM RECOVERY



October 31, 2003

Mr. Owen Boyd
CEO
Mr. Nick Mozzicato
President
Solmetex
50 Bearfoot Road
Suite 2
Northborough MA 01532

1 page Sent Via Facsimile 508-393-1795

Dear Mr. Boyd and Mozzicato,

RE: Patent infringement by Solmetex of Canadian Patent No.: 2,335,586.

As Mr. Boyd has not followed up with me as he indicated that he would in his September 29 2003 letter and I have not had any kind of written response to my subsequent letter of September 29 2003. I am therefore notifying you that MSS has started legal action in Canada for Patent Infringement of Canadian Patent No.: 2,335,586.

All discussions and any offers made between us for the settlement of your Companies Infringement are now completely and fully revoked.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard Chilibeck".

Richard Chilibeck



MAXIMUM SEPARATION SYSTEMS INC.

6588 Sooke Road, Sooke BC, V0S 1N0, CANADA TEL: (250) 642-1787 FAX: (250) 642-1393

WEB: www.amalgamseparators.com

SIMPLY BETTER AMALGAM RECOVERY



September 12 2003

Mr. Owen Boyd
Mr. Nick Mozzicato
Solmetex
50 Bearfoot Road
Suite 2
Northborough, MA 01532
USA

1 page sent via Fax 508-393-1795

Dear Mr. Boyd and Mr. Mozzicato,

Re: Maximum Separation Systems Inc (MSS) and Solmetex sent via fax, original to follow by mail

I have had a chance to discuss the alleged patent infringement by your company with the directors of MSS and they have agreed to provide for a small window of opportunity to see if I can present to them an acceptable option for settlement between our respective companies before any litigation commences.

I understand that you have a copy of the September 10 2003 correspondence between our respective legal council regarding the alleged Canadian patent infringement.

For your interest, MSS has a published USA patent and has paid for the issuance fees for its second USA patent. This second USA patent will be published in the near future. I can send you the pertinent claims of this second patent if you are interested and if there is an opportunity for settlement.

As the market place is changing rapidly as well as the alliances in the manufacturing/dealer sector (for example the recent Hygienitec/Arcona-Schein Cooperation) time is of the essence.

I propose that a meeting be set up to discuss and further develop a settlement that I believe would be acceptable to the officers and shareholders of MSS and this settlement could be in the form of a combination or one of the two options presented below.

1. A new entity, a USA public trading company be acquired or formed by Solmetex, and 50% of the share stock would be allocated to Solmetex and 50% of the share stock would be allocated to MSS in return for entitlement to all of the property, product, inventory, technology, know how and intellectual property of MSS and Solmetex.
2. MSS license all of its property, product, inventory, technology, know how, intellectual property, exclusively to Solmetex worldwide and in return, Solmetex would;
 - a. Pay a fee to MSS of \$350,000.00 US
 - b. Pay Royalties to MSS equal to 10% of all of the products sold for the length of the patents.

I will call you early next week to discuss this matter further.

Yours truly,


Richard Chilibeck



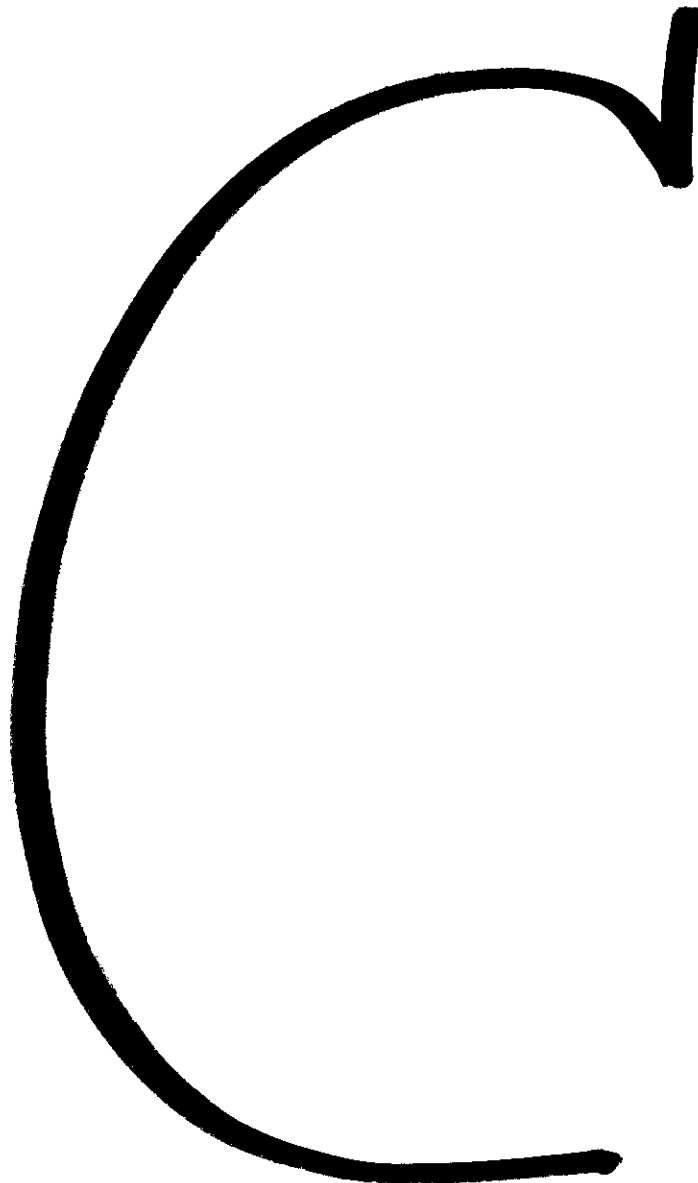
MAXIMUM SEPARATION SYSTEMS INC.

6588 Sooke Road, Sooke BC, V0S 1N0, CANADA TEL: (250) 642-1787 FAX: (250) 642-1393
WEB: www.amalgamseparators.com E-mail: rchilibeck@amalgamseparators.com

B

Washington	
<p>Arnold Dental Supply, Co. 19231 36th Ave. W. Suite P Lynnwood, WA 98036 425-712-8786</p>	<p>J B Dental Supply Co. 18650 68th Avenue South Kent, WA 98032 206-575-9419</p>
<p>Burkhart Dental Supply, Co. 15031 Montgomery, Suite 6 Spokane, WA 99206 509-928-7474</p>	<p>Morgan Dental Sales 5209 97th Avenue Ct.W. Tacoma, WA 98467 253-565-3432</p>
<p>Burkhart Dental Supply, Co. 2804 W. Washington, Suite 2 Yakima, WA 98903 509-248-5441</p>	<p>Patterson Dental Supply 8620 154th Avenue, N.E. Redmond, WA 98052 425-566-1715</p>
<p>Gator Dental Repair Service 7576 Skagit View Drive Concrete, WA 98237 360-770-3502</p>	<p>Patterson Dental Supply 417 East Pacific Avenue Spokane, WA 99202 509-838-8581</p>
<p>Island Dental Co., Inc. 2004B 48th Avenue Ct. Fife, WA 98424 800-860-3930</p>	<p>Sullivan Schein Dental 5005 Pacific Highway E., Suite 12 Fife, WA 98424 253-896-5050</p>

EXHIBIT B



FILED ENTERED
LODGED RECEIVED

SA FEB 17 2004

Received From
SEATTLE
FEB 18 2004

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

C04-0324 FDB

MAXIMUM SEPARATION SYSTEMS, INC., a
Canadian Corporation; and RICHARD H.
CHILIBECK, an individual,

Cause No.

Plaintiffs,

COMPLAINT FOR PATENT
INFRINGEMENT

v.

Demand for Jury Trial

SOLMETEX, INC., a Delaware corporation,

Defendant.

04-CV-00324-CMP

Plaintiffs, Maximum Separation Systems, Inc., and Richard H. Chilibeck, allege:

Parties

1. Plaintiffs are:

a. Maximum Separation Systems, Inc. (*Maximum*) is a Canadian corporation

having its principal place of business in Victoria, British Columbia, Canada; and,

COMPLAINT FOR PATENT INFRINGEMENT
Page 1 of 4

STRATTON BALLEW PLLC
1218 THIRD AVENUE, SUITE 1522
SEATTLE, WASHINGTON 98101
TEL: (206) 682-1496 • FAX: (206) 682-0446

ORIGINAL

Exhibit C

#850747 5/35

2. Defendant is Solmetex, Inc. (*Solmetex*), a Delaware corporation, having its principal place of business in Northborough, Massachusetts.

3. This action for patent infringement arises under the patent laws of the United States, 35 U.S.C. § 101, *et seq.* This Court has subject matter jurisdiction over the claims herein pursuant to 28 U.S.C. §§ 1331 and 1338(a). The amount in controversy exceeds the amount of \$75,000.00, exclusive of interests and costs and the Court has diversity of citizenship jurisdiction over any non federal claim asserted herein under 38 U.S.C. § 1332(a).

4. Venue in this District is proper pursuant to 28 U.S.C. § 1391(a) and (c) as the defendant, Solmetex has placed into commerce and sold within this District articles of manufacture that infringe the patent rights of plaintiff.

5. Plaintiff, Maximum, is the owner by exclusive assignment from Dr. Chilibeck of all right, title and interest in U.S. Patent No. 6,692,636 for an apparatus and process for removing metallic particles from effluent liquid waste (the '*636 patent*'). The '*636 patent*' was duly and legally issued on February 17, 2004, upon an application by the inventor, Richard H. Chilibeck, and assigned to plaintiff, which assignment is not yet of record with the United States Patent and Trademark Office.

1 6. Defendant, Solmetex, has been and continues to make use and offer to sell and
2 sell a separator for removal of metallic particles from effluent liquid waste that infringes at least
3 one claim of the '636 patent. The accused device is commonly known as the "SolmeteX™ Hg5
4 Mercury Removal System".

5 7. Defendant, Solmetex, has and continues to foster and encourage others, through
6 the sale to and use the "SolmeteX Hg5 Mercury Removal System" to infringe at least one claim
7 of the '636 patent, which acts and conduct constitutes inducement and contributory infringement.
8

9 8. Plaintiff, Maximum, has been damaged and continues to be damaged by
10 Solmetex's acts of infringement described above and, unless Solmetex's acts and activities are
11 enjoined, Maximum will continue to suffer both monetary damages, and other damages, for
12 which it has no adequate remedy at law.

13 9. Maximum is informed, and therefore believes, that defendant has had actual
14 notice of the claims of the '636 patent, as issued, in particular as the same claims are in suit in the
15 Federal Court - Trial Division of the Province of British Columbia, Action No., T-1787-03 on
16 Canadian Patent No. 2,335,586 and further that defendant has been put on written notice of the
17 claims to being issued in the '636 patent. Plaintiff, Maximum, believes that defendant is and will
18 continue to willfully infringe the '636 patent and is and will continue to willfully induce and
19 contribute to the infringement the '636 patent by others unless enjoined by the Court. Plaintiffs
20 have no adequate remedy at law.
21

22 **Prayer**

23
24 Plaintiffs pray for:
25
26

1 A. Judgment that defendant, Solmetex, has infringed the '636 patent;

2 B. Judgment that the infringement of the '636 patent by Solmetex is willful;

3 C. Preliminary and permanent equitable relief in the form of an injunction that
4 enjoins Solmetex, its officers, agents, servants, employees, and all other persons acting in active
5 concert or participation with Solmetex, from infringing, inducing or contributing to infringement
6 of the '636 patent;

7
8 D. An award of damages adequate to compensate plaintiff, Maximum, for the
9 infringement of the '636 patent, whether direct, or by way of inducement or contribution,
10 together with prejudgment interest;

11
12 E. An award of increased damages by virtue of defendant's willful infringement,
13 together with prejudgment interest;

14 F. Judgment that case is exceptional within the meaning of 35 U.S.C. § 285 and an
15 award of plaintiffs' attorney's fees, costs and expenses incurred in this matter; and

16 G. Such other and further relief as this Court deems just and equitable.

17
18 **Jury Demand**

19 Plaintiffs demand a trial by jury.

20 Dated: February 17, 2004

21 Respectfully submitted,

22 STRATTON BALLEW PLLC

23
24 By: 

Rex H. Stratton, WSBA No. 1913

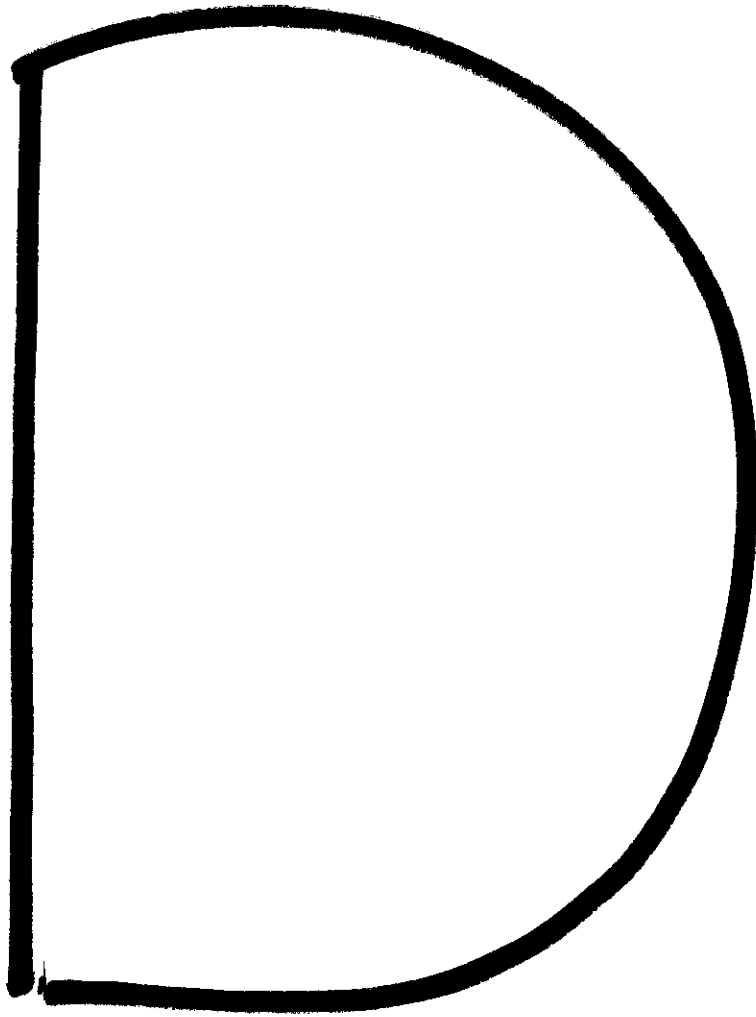
Jennifer L. Jolley, WSBA No. 27686

Attorneys for Plaintiffs

25
26 WS\\working documents\\NWN 2 - Maximum Systems Systems Inc\\Pleadings\\Complaint.doc

27
28 **COMPLAINT FOR PATENT INFRINGEMENT**
Page 4 of 4

STRATTON BALLEW PLLC
1218 THIRD AVENUE, SUITE 1522
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WOOD, HERRON & EVANS, LLP

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KURT L. GROSSMAN
CLEMONT H. LUKEN, JR.
THOMAS J. BURGER
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EMAIL: info@whepatent.com

PATENT, TRADEMARK, COPYRIGHT
AND UNFAIR COMPETITION LAW
AND RELATED LITIGATION

EDMUND P. WOOD 1923-1968
TRUMAN A. HERRON 1935-1976
EDWARD R. EVANS 1938-1971

JOSEPH R. JORDAN
C. RICHARD EBY
DAVID E. PRITCHARD

J. DWIGHT POFFENBERGER, JR.
KATHRYN E. SMITH
KRISTI L. DAVIDSON
P. ANDREW BLATT, Ph.D.
DAVID E. JEFFERIES
WILLIAM R. ALLEN, Ph.D.
JOHN PAUL DAVIS
DOUGLAS A. SCHOLER
BRETT A. SCHATZ
DAVID W. DORTON
S. PRABHAKAR REDDY
LAHMY D. MOORE
SARAH OTTE GRABER
WESLEY L. STRICKLAND
STEVEN W. BENINTENDI, Ph.D.

TECHNICAL ADVISOR
HENRY M. LABODA, Ph.D.
*ADMITTED ONLY IN D.C. AND VA.

February 23, 2004
Sent Via United Parcel Courier

Maximum Separation Systems, Inc.
c/o Mr. Richard Chilibeck, President
6588 Sooke Road
Sooke, British Columbia, Canada
V0S 1N0

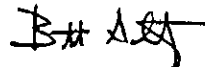
Mr. Richard H. Chilibeck
5549 Forest Hill Road RR#3
Victoria, Canada
V9E 2A8

Re: SolmeteX, Inc. v. Maximum Separation Systems, Inc.

Dear Mr. Chilibeck:

Enclosed please find a copy of a Summons and Complaint filed on February 17, 2004, in the United States District Court, District of Massachusetts, Worcester Division. The original Summons and Complaint also will be served upon Mr. Rex B. Stratton.

Very truly yours,



Brett A. Schatz

BAS:alf

Enclosures

cc: J. Robert Chambers, Esq. (w/o Enclosures)

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EXHIBIT D